

EMPLOYMENT AGREEMENT BETWEEN THE CITY OF LAKEWOOD
AND JOHN CAULFIELD

THIS AGREEMENT is made and entered into, by and between the City of Lakewood, Washington, a municipal corporation ("Employer" or "City Council"), and John Caulfield, hereinafter called ("Employee" or "City Manager.")

WITNESSETH:

WHEREAS, Employer desires to employ the services of said John Caulfield as City Manager of the City of Lakewood, as provided for in Chapter 35A.13 of the Revised Code of Washington; and

WHEREAS, it is the desire of City Council to provide certain benefits and to establish conditions of employment of said Employee including inducements to continue employment; and

WHEREAS, Employer desires to establish an atmosphere which makes possible the Employee's full productivity and at the same time ensures the Employee's future security by establishing a clear mutual understanding as to pay and fringe benefits and providing a just and proper means for terminating the services of the Employee if that action becomes necessary or desirable; now therefore

IN CONSIDERATION of the mutual covenants herein contained, the parties agree as follows:

1. Employment and Duties

A. The City Council hereby agrees to employ John Caulfield as City Manager of the City of Lakewood, to perform on a full-time basis the functions and duties specified in Chapter 35A.13 RCW and Chapter 2.08 of the Lakewood Municipal Code, for this office and other permissible and proper duties and functions as the City Council shall from time to time assign, subject to this Agreement.

B. The City Manager agrees to remain in the exclusive employment of the City of Lakewood, while employed by the City of Lakewood.

2. Term

A. This Agreement and appointment shall become effective September 3, 2013.

B. This Agreement is for an indefinite term of employment with no guaranteed tenure, subject, however to the limitations, notices, requirements, payments, and matters hereinafter set forth.

C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employer to terminate the services of Employee at any time, subject to the provisions set forth in Section 7 of this Agreement and those contained in applicable state law.

D. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign his position with Employer at any time, subject to a thirty (30) day notice and the provisions of this Agreement.

3. Compensation and Benefits

A. Base Annual Salary. For services rendered by Employee pursuant to this Agreement, Employer shall pay Employee a base annual salary of One Hundred Sixty Five Thousand Dollars (\$165,000.00), on the City's regular payroll schedule, subject to any lawful deductions.

B. Deferred Compensation. In addition to the Employer's payment to the state or local retirement system (as applicable) referenced herein, Employer agrees to execute all necessary agreements provided by ICMA Retirement Corporation [ICMA-RC] or other Section 457 deferred compensation plan for Employee's participation in said supplementary retirement plan and, in addition to the base salary paid by the Employer to Employee, Employer agrees to pay an amount equal to Sixteen Thousand Dollars (\$16,000.00) into the designated plan on the Employee's behalf, in equal proportionate amount each pay period. The parties shall fully disclose to each other the financial impact of any amendment to the terms of Employee's retirement benefit.

C. Life Insurance. The Employer shall pay the amount of premium due for term life insurance in the amount equal to the Employee's annual base salary, including all increases in the base salary during the life of this agreement. The Employee shall name the beneficiary of the life insurance policy.

D. Insurance Coverage. Employer agrees to provide for, long term disability, life, survivor income, vision, dental and medical insurance for the Employee and dependents equal to that which is provided to all other senior management employees of the City of Lakewood.

E. Retirement. The City of Lakewood does not participate in Social Security or the PERS Retirement System. In lieu of Social Security and PERS contributions, the Employer will contribute to qualified 401(a) accounts in the same manner it does for all other senior management employees. These contributions will be 100% vested.

F. Leave

1. Employee shall accrue vacation leave at a rate per pay period equivalent to 20 days in each calendar year. Employee shall accrue major medical leave at a rate per pay period equivalent to 8 days in each calendar year. Employee shall accrue eight days of management leave annually which do not carry over from year to year. The first year's allocation of management leave shall be banked upon commencement of employment.

2. Employee shall be granted all other leave at a rate equal to other City senior management employees.

G. Automobile Allowance. The Employer agrees to pay to the Employee, during the term of this Agreement and in addition to other salary and benefits herein provided the sum of Five Hundred Dollars (\$500.00), payable monthly, as a vehicle allowance to be used to purchase, lease, or own, operate and maintain a vehicle. The Employee shall be responsible for paying for liability, property damage, and comprehensive insurance coverage upon such vehicle and shall further be responsible for all expenses attendant to the purchase, operation, maintenance, repair, and regular replacement of said vehicle.

H. Bonds. Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

4. Professional Development

A. Memberships and Training. Employer hereby agrees to pay for expenses of Employee for membership to the Washington City/County Managers Association and paid attendance to its annual conferences. Employer hereby agrees to pay for expenses of Employee for membership to the International City/County Managers Association and attendance at the ICMA conference may be scheduled if funds are available in the annual budget for the City Manager's Office. Reimbursement for expenses incurred under this section shall be made according to the City Travel Policy and approved by the Mayor or designee.

B. Civic Group Membership. Employer will pay for the Employee's dues for in civic groups, e.g., Rotary, Lions and Kiwanis.

5. Annual Performance Evaluation

A. Employer shall review and evaluate the performance of the Employee after six months, twelve months and at least once annually thereafter. The Mayor or designee shall provide the Employee with a written summary of the findings and provide adequate opportunity for the Employee to discuss the evaluation with the City Council.

B. Annually, the City Council and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the City and in the attainment of the Employer's policy objectives and shall further establish a relative priority among those various goals and objectives. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets and appropriations provided. Such goals and objectives may be revised by the City Council as necessary to meet the changing needs of the City following consultation with the Employee.

6. Indemnification

As a condition of Employee's employment Employer agrees that it shall defend, hold harmless and indemnify Employee against any tort, professional or personal liability claim, demand, or legal action of any kind or nature, whether groundless or otherwise, arising directly or indirectly out of an alleged act or omission occurring in the performance of Employee's duties according to Chapter 1.28 of the Lakewood Municipal Code. This indemnification and hold harmless shall continue after Employee's cessation of employment but only insofar as it relates back to claims, demands, suits, judgments and professional, personal and community liability arising either directly or indirectly out of his employment. The terms of this provision assume and are conditioned upon the Employee acting in a lawful manner and within the scope of his authority as City Manager and fully cooperating in the defense of any such claims and suits.

7. Termination and Severance

A. In the event the Employee is terminated or requested by the Employer to resign for the convenience of the City of Lakewood, or voters elect to change from a Council/Manager form of government and Employee does not agree to accept another position with the City of Lakewood following reorganization, the Employer shall provide severance compensation in the amount of six (6) months of salary, cash equivalent of vested benefits and deferred compensation, based upon the salary and benefits in effect at the time of notice of termination, resignation or change of government. Employer shall additionally compensate Employee for all earned combination leave, management leave and major medical leave balances in effect on the date of termination, resignation, or change of government. Said severance compensation shall be paid in a lump sum, monthly or in quarterly installments, at the Employee's election. The Employer shall be authorized to perform any deductions required by law or voluntary deductions as authorized by the Employee. Any termination action taken by the Employer shall be subject to the notice period required by state law (RCW 35A.13.130 and RCW 35A.13.140, or successor statutes). The Employer, in its sole discretion, may substitute advance notice of termination in addition to that required by statute for any or all of the six months severance compensations listed above. Additionally, the Employer and Employee may, by mutual consent, arrange for a time certain effective date of such termination, subject to the aforementioned notice period required by state law.

B. Failure of the Employer to correct a material breach of the Agreement after notice and a reasonable opportunity to comply will be considered a constructive discharge without cause and Employee will be entitled to severance compensation specified in this section.

C. In the event the City Manager is terminated for "just cause," then Employer's only obligation to the City Manager is to pay all compensation and benefits accrued but unpaid at the date of termination. "Just cause" is defined and hereby limited for the purposes of this Agreement to the following reasons: (1) willful neglect of duty; (2) felony or misdemeanor conviction of any crime involving moral turpitude; (3) dishonesty in the performance of job duties; (4) improper government action as defined in RCW 42.02.020; or (5) failure to establish residency under Paragraph 8.

8. Residency

A. Residency within the City of Lakewood is required. Relocation must take place within the first six months of employment.

B. The City will provide a one-time payment of Ten thousand Dollars (\$10,000.00) to assist in defraying the costs of relocation; however, if within three years the City Manager leaves City employment for any reason, excluding involuntary termination, these funds will be repaid on a prorated basis.

9. Contingent Offer

This offer of employment is contingent upon completion of a background check which may include a visit to the City of Mountlake Terrace. Employee will also be required to present documentation demonstrating that Employee is able to lawfully work within the United States within three days of the commencement of employment.

10. General Provisions

A. In addition to the rights and benefits detailed herein, the City Manager shall receive all benefits accruing to the senior management employees of the City of Lakewood, except where they are in conflict with the specific provisions of this Agreement.

B. The text herein shall constitute the entire agreement between the parties. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this agreement during the life of the agreement. Such amendments shall be incorporated and made a part of this agreement.

C. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest.

D. This Agreement shall become effective upon execution by Employee and adoption and approval by the City Council of the City of Lakewood.

E. If any provisions, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall not be affected and shall remain in full force and effect.

F. Notices pursuant to this Agreement shall be deemed given as of the date of personal service or date of deposit, postage prepaid, in the United States Postal Service addressed to the Employer at City Clerk, 6000 Main Street, Lakewood, WA 98499 or the Employee at the address maintained by the Employee at the City for mailing federal tax notices.

IN WITNESS HEREOF, the City Council of the City of Lakewood has caused this agreement to be signed and executed on its behalf by its Mayor and the undersigned employee as its City Manager. By his signature below, the City Manager further represents and acknowledges that (1) he has read this agreement in its entirety; (2) has an opportunity to review and study this agreement; (3) has been advised that the City Attorney is counsel to the City of Lakewood and does not represent the City Manager; (4) has the right to consult his own independent counsel; and (5) he [has] [has not] done so.

DATED this ____ day of July, 2013

Don Anderson
Mayor, City of Lakewood

DATED this ____ day of July, 2013

John Caulfield
City Manager

Attest:

Alice M. Bush, MMC
City Clerk

Approved as to Form:

Matthew S. Kaser
Acting City Attorney